2017 Human Capital Trends: A Government Perspective

Government agencies are in the midst of an economic and social transformation, marked by an accelerated rate of technological change, heightened career expectations, and new “rules” for employers. On top of this transformation, government agencies are also experiencing administration changes and leadership turnover, while aiming to efficiently and consistently deliver services. In these times of change government leaders across the globe are being pressed to re-write the “rules” for how they organize, recruit, develop, manage, and engage 21st century employees. Across industries, the workplace, workers, and work itself are rapidly changing – and these shifts are happening in government agencies as well.

The 2017 Global Human Capital Trends Report, informed by Deloitte’s fifth annual survey of more than 10,400 global business and Human Resources (HR) leaders, is a detailed analysis of the trends playing out across the globe. The question we face is, what do these global trends mean for government agencies? This report brings a government perspective to the global trends, and illustrates that these trends are not just on the horizon but are already playing out across the government space. Deloitte has identified new “rules” for leaders that may require a shift in mindsets and behaviors across the government workforce. Like a journey through a board game, there are numerous moving parts and pieces, competing interests, different pathways to consider, hard decisions to make, and complicated rules; but the end goal is always the same.

Serve the people, serve the mission, and you can change the game.
Government Human Capital Trends and New Rules for 2017

This report presents new “rules” for each of the 10 global trends and how they are playing out across governments. But, to begin, four key groupings emerged:

Prepare Leaders and Organizations for the Future

With the onset of new administrations, opportunities exist to inspire, cultivate, and recognize high-functioning government leaders. In the midst of transitions and reforms, government leaders should look to solutions that create agile, tailored, and “bite-sized” approaches to organizational transformations, steeped in innovations informed by leaders with digital mindsets. “Becoming digital” is not just a way to do work, rather, it is a way to transform organizations and attract the workforce of the future. It will take a different type of leadership to be able to integrate this digital mindset into business strategies, while effectively navigating organizational, technological, social, and generational changes, and changing employee expectations. Following these “rules” can prepare agencies to meet increasing demands in real time, likely resulting in increased employee engagement, productivity, and a stronger leadership pipeline.

Build a New Talent Management Strategy

Attracting, acquiring, and retaining talent can be one of the greatest challenges for government agencies. With a workforce made up of multiple generations, roles, teams, and those with evolving skillsets, finding the right people and building effective teams is mission critical. Leveraging “cognitive recruiters” can help government agencies quickly identify the most effective workforce. To get ahead and stay ahead, agencies should move beyond traditional talent acquisition strategies, provide near real-time performance feedback, and see diversity and inclusion as a strategic imperative – not just a talent issue – to help achieve their missions.

Map the Employee Experience for Empowerment, Engagement, & Growth

For government agencies to empower leaders of today and tomorrow, they can use culture, engagement, and learning opportunities as tools to address the demands of the evolving workforce. Agencies that consider the entire lifecycle of their employees – from recruitment to retirement – and support career-long development and growth can have a leg up on engaging their workforce. Furthermore, many government agencies have realized the power of focusing on the public as their customer. If agencies apply that same customer “lens” to their employees, they can increase engagement, productivity, and customer and employee satisfaction to better deliver their missions.

Leverage Digital, People Analytics, & The Future of Work

Ready or not, the digital age is upon us – even in the public sector. Today’s rapidly changing environment urges leaders to leverage new and innovative digital technologies; to harness data and people analytics; and embrace the “gig economy;” automation, cognitive tools, and the augmented workforce to transform the nature of work. Technology is advancing at an unprecedented rate, including the use of mobile platforms, sensors, social collaboration systems, cognitive processing, robotics, and even artificial intelligence. Agencies can harness these new technologies and data to drive people-related business decisions and strategies. These strategies not only serve as accelerators for employee engagement by enabling employees to take on more mission-critical roles, but they can also serve as the gateway to help respond to the policies of new administrations.
Prepare Leaders and Organizations for the Future

Key Takeaway
Innovation and risk-taking are key to government leaders effectively building a strong leadership pipeline.

Leadership disrupted: Pushing the boundaries
Leadership development is no longer strictly about training programs. Leaders need the right organizational context, especially during large-scale transitions – that is, a workplace environment able to encourage knowledge sharing, risk-taking, innovation, and growth. Government agencies should engage high-potential leaders in real-world scenarios that expose them to innovation and digital disruption to help develop a pipeline of leaders equipped to lead in a digital world.

Trends Data: Global Public Sector
Digital leadership is important or very important to 73 percent of national and regional government respondents globally, but only 4 percent say their organizations have highly developed digital leadership programs today. Furthermore, 35 percent of respondents have no program in place at all. This gap underscores a need to push the boundaries on traditional leadership.

The organization of the future: Arriving now
Due to retirement impacts, leadership changes, and the growing need for specialized skills, the government is facing unprecedented workforce gaps. To help drive innovation, while doing more with less, agencies can apply digital technologies along with concepts such as crowdsourcing, technological organization design, and design-thinking practices to empower teams. As the digital age progresses and technology advances, agencies should consider how to utilize digital tools to redeploy workers performing transactional tasks to more mission-centric work to enhance efficiency and engagement.

Key Takeaway
The organization of the future is one with a digital mindset.
Build a New Talent Management Strategy

Talent acquisition: Enter the cognitive recruiter
With an aging workforce and a younger generation gaining a larger presence in the government, attracting and retaining top talent is critical to meeting evolving missions.\(^2\) Government agencies should proactively “brand” themselves as engaging places to work through creative marketing strategies. They can also use modernized HR systems and methods to efficiently source and target candidates, and help reduce the time between receiving a resume to hiring an individual.

Diversity and inclusion: The reality gap
Grass-roots efforts for diversity and inclusion (D&I) – especially prevalent in the midst of nation-wide social movements – can transform the ways in which D&I initiatives are designed and delivered in organizations. D&I is no longer about equality alone, it is about diversity of thought, and employees count on leadership to think strategically about inclusion as a key component in achieving the mission.

Performance management: Playing a winning hand
In today’s diverse and evolving workforce, Performance Management (PM) should not be seen as a one-size-fits-all solution. To meet the modern needs of employees, PM of the future should be real-time, ongoing, and blended between formal and informal regular “check-ins.” This will help managers and leaders see, recognize, and fuel performance regularly. PM should be a key driver in incentivizing exceptional work that drives the mission.

Key Takeaway
Agencies should creatively re-brand themselves and use modernized HR systems to help quickly attract and hire talent.

Key Takeaway
D&I is no longer just about equality – it is key in achieving the mission.

Key Takeaway
PM of the future should be real-time, ongoing, and seen as a key driver – incenting performance to achieve the mission.

Trends Data: Global Public Sector
Talent acquisition is important or very important to 75 percent of national and regional government respondents globally, yet only 31 percent say their organizations are ready to respond to the trend. This gap further emphasizes the importance of modernizing both talent acquisition strategies and systems.
Map the Employee Experience for Empowerment, Engagement, & Growth

Key Takeaway
Viewing employees as internal customers “backstage” drives real customer experience outcomes on the “front stage.”

The employee experience: Culture, engagement and beyond
The government workforce has experienced fluctuations in employee engagement over the past decade, and while the US based Federal Employee Viewpoint Survey (FEVS) data shows engagement is rising slowly, it still lags far behind the private sector. Agencies should map and redesign the employee experience end to end – from sourcing and recruitment to onboarding and retirement. Furthermore, as agencies re-write the “rules” for the digital age, viewing employees as customers has the potential to positively impact engagement, and ultimately improve the experience of government customers.

Trends Data: Global Public Sector
While 69 percent of national & regional government respondents globally rated employee experience as important or very important, only 7% of respondents reported having an integrated employee experience strategy. However, 81 percent noted they are updating their engagement strategy to account for changes in workforce demographics and preferences.

Careers and learning: Real time, all the time
Government training has traditionally focused on onboarding, fulfilling compliance requirements, and building skills for current roles – as opposed to helping employees explore new skills, navigate careers, or follow their own interests. Learning is now seen as a continuous process, not an episodic event; and as an organization-wide responsibility, not confined to HR. To be able to meet the needs of the modern workforce, government agencies should shift from “training” to “learning” by offering real-time learning opportunities that enable employees to explore new skills and interests.

Key Takeaway
Government agencies should enable employees to explore new skills and interests by offering real-time learning experiences.
People analytics: Recalculating the route

In an increasingly data-driven world, people analytics is now being used to help make work and resource decisions. Using analytics to inform every part of a workforce strategy – from recruiting, to D&I, to benefits benchmarking, and succession planning – is critical in helping to meet an agency’s mission and guide future work.

Digital HR: Platforms, people, and work

2017 may be the beginning of an HR revolution as real-time systems facilitated by smart technology take center stage. The future involves moving away from HR systems dependent on key personnel or manual entry, and towards a system built on knowledge platforms that communicate the way employees now communicate (that is, via internet, instant messaging, apps, and even text).

Key Takeaway

Using people analytics can help agencies better deploy their workforce and attract talent.

People analytics: Recalculating the route

In an increasingly data-driven world, people analytics is now being used to help make work and resource decisions. Using analytics to inform every part of a workforce strategy – from recruiting, to D&I, to benefits benchmarking, and succession planning – is critical in helping to meet an agency’s mission and guide future work.

Key Takeaway

HR of the future leverages digital platforms that communicate the way employees do – online, in real time, and via multiple channels.

The future of work: The augmented workforce

Using automation, cognitive tools, and computing means leveraging innovative technologies to help shift employees from executing routine tasks to performing truly mission-critical activities. Rather than replacing the roles of workers, these technologies complement the nature of work on a daily basis. These approaches – already in play for some agencies – along with applying concepts such as crowdsourcing and leveraging part-time and contingent workforces, can redefine how people work across the government.

Key Takeaway

Cognitive tools, automation, and workforce augmentation, can redefine the ways in which people work across government agencies.

Trends Data: Global Public Sector

62 percent of national & regional government respondents globally see their organizations as increasing the use of an augmented workforce in the next three to five years. However, only 27 percent note overall readiness of their organization to respond to the trend, stressing an urgent need to prepare for the changing nature of work.
What about Unions?
With union membership representing over a third of the public sector workforce (35.2%), it is imperative for government agencies to understand that labor relations should be considered when evaluating all of the human capital trends. It is critical that this large segment of the government workforce is continuously kept top of mind to allow agencies to effectively manage and leverage their workforce, as well as successfully navigate administration changes, leadership turnover, and the future of work ahead.

Getting Ahead of the Game
Current economic and social transformations, the accelerated rate of technological change, heightened career expectations, and new "rules" for employers are compelling leaders to re-think strategies to help them get ahead and stay ahead of the trends facing organizations today. From national security agencies, to civilian and healthcare, many government agencies are creating new strategies to address these trends. Deloitte works with government organizations across the globe – to help design, implement and leverage these new strategies to deliver impact and efficiency in the continuously evolving and dynamic digital age.

Prepare Leaders & Organizations for the Future
To help prepare for the future, leaders can adopt analytics-driven workforce planning to proactively prepare for talent and skills gaps; create alternative structures, e.g. Centers of Excellence, to align people, processes, and digital technologies to the mission; and create leadership development programs that balance traditional training with real-world experiences. For instance, one national security agency is proactively putting mid-level managers and supervisors through leadership development programs to fill the critical roles left vacant in the midst of the onsetting retirement wave to help meet their mission.

Map the Employee Experience for Empowerment, Engagement, & Growth
Applying customer experience (CX) thinking to the employee experience (EX), focusing on continuous learning, and aligning culture with strategy can improve overall employee engagement, and lead to increased productivity and workforce effectiveness. Some agencies are “getting ahead of the game” by developing employee journey maps that identify moments that matter for employees while uncovering potential barriers to their growth and development. By addressing employee pain points, those agencies are able to increase engagement and productivity.

Build a New Talent Management Strategy
To reimagine an existing talent management strategy, agencies can adopt digital recruiting tools to help increase candidate engagement and reduce the time to hire, embrace diversity and inclusion as a mission imperative, and deploy performance management tools that enable real-time and continuous feedback for both staff and managers. For example, in order to quickly attract and hire talent, a number of agencies are benchmarking rewards to inform a strategy for recruiting specialized talent segments to find and engage with the right talent for their agency.

Leverage Digital HR, People Analytics, & The Future of Work
Embracing digital HR platforms that enable self-service and a better user experience, leveraging workforce data to drive better decisions in real-time, and using workforce analytics to inform people strategies can redefine the ways in which people work in government agencies. Further, several agencies have begun harnessing the augmented workforce by using process robotics and cognitive tools to automate event-based, high-volume transactions, thereby enabling existing and future staff to focus on mission-critical work.

Deloitte’s Insights and Innovations
- ConnectMe™ – Deloitte digital workplace tool that pulls together HR technologies into a single, personalized space for employees
- CulturePath™ – Deloitte diagnostic instrument and methodology that provides insights for organizational culture change
- Deloitte Center for Immersive Learning (DCIL) – Creating immersive learning experiences using innovative technologies
- Diversity & Inclusion Diagnostic Library – Deloitte tool to examine workforce perceptions and help break down barriers that often prohibit leaders from reaching their full potential and to help maximize business outcomes
- EngagePath™ – Deloitte solution that harnesses analytics and continuous feedback to help improve employee engagement
- Leadership Development – Deloitte Assessment, Development, and Evaluation solutions to address leadership challenges from the individual, team, and enterprise perspective
What do I do now?

Read the full Global Human Capital report at www.deloitte.com/us/hctrends

Share this article to your social networks, follow @DeloitteGov on Twitter and Facebook, and use #GovHCTrends

Link to the supplement to send to colleagues www.deloitte.com/us/govhctrends

Contact the authors to discuss the trends or arrange one-on-ones with the specialists

Acknowledgements

The authors of the 2017 Human Capital Trends: A Government Perspective would like to recognize the exceptional work of the following individuals for their roles as sponsors, project managers, editors, researchers, designers and contributors: Leslie Barron, Jason Kress, Tammy Hawthorn, Carithers Halbrook, Katie Howard, Ashley O'Donnell, Lily Heil, Sonja Manning, Sarah Moses, Rachael Munkacsi, Sadie Harlan, Ellie Marsh, Anne McGraw, Watson Leffel, Chelsea Kerrington, Maggie Koziol, Jason Mullin, and all of our partners on the Global Human Capital Trends team. The team would also like to thank all the individuals who took the time to take part in interviews and provide their valuable insights to work towards an enhanced government of the future.

Sources Cited

**Data Source: Unless otherwise stated, data referenced is from the 2017 Global Human Capital Trends Report. For purposes of this Supplement, Public Sector data has been filtered to include Global Public Sector National Government & Regional Government responses (n=471).

1 Deloitte Government Human Capital Team conducted over 25 interviews with Specialists across Human Capital with years of experience serving government clients, 2016.


For more information about how Deloitte can help your organization take on the trends, please contact:

<table>
<thead>
<tr>
<th>Name</th>
<th>Title</th>
<th>Email</th>
<th>Phone</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sean Morris</td>
<td>Principal and Federal Human Capital Leader</td>
<td><a href="mailto:semorris@deloitte.com">semorris@deloitte.com</a></td>
<td>+1 571 814 7640</td>
</tr>
<tr>
<td>John Forsythe</td>
<td>Managing Director</td>
<td><a href="mailto:joforsythe@deloitte.com">joforsythe@deloitte.com</a></td>
<td>+1 571 882 7994</td>
</tr>
<tr>
<td>Jen Cowley</td>
<td>Managing Director</td>
<td><a href="mailto:jecowley@deloitte.com">jecowley@deloitte.com</a></td>
<td>+1 571 882 7192</td>
</tr>
</tbody>
</table>

Artwork courtesy of Deloitte University Press.

About this publication

This communication contains general information only, and none of Deloitte Touche Tohmatsu Limited, its member firms, or their related entities (collectively, the “Deloitte Network”) is, by means of this communication, rendering professional advice or services. Before making any decision or taking any action that may affect your finances or your business, you should consult a qualified professional adviser. No entity in the Deloitte Network shall be responsible for any loss whatsoever sustained by any person who relies on this communication.

About Deloitte

As used in this document, “Deloitte” means Deloitte Consulting LLP, a subsidiary of Deloitte LLP. Please see www.deloitte.com/us/about for a detailed description of our legal structure. Certain services may not be available to attest clients under the rules and regulations of public accounting.

Copyright © 2017 Deloitte Development LLC. All rights reserved.